

**DRINKING WATER SYSTEMS IMPROVEMENTS
REVOLVING LOAN FUND PROGRAM**

AMENDMENT NO. 3

TO

FINAL FY-97 INTENDED USE PLAN

PRESENTED TO THE BOARD MAY 1, 2003



LOCAL GOVERNMENTS AND RURAL WATER SYSTEMS

IMPROVEMENTS BOARD

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**LOCAL GOVERNMENTS AND RURAL WATER SYSTEMS IMPROVEMENTS
BOARD**

DRINKING WATER SYSTEMS IMPROVEMENTS REVOLVING LOAN FUND

**FINAL
FY-97 INTENDED USE PLAN**

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Purpose of Revision No. 3 to Final
FY-97 Intended Use Plan

The purpose of this document is to revise the final FY-97 Intended Use Plan to reflect the following changes:

- To transfer all remaining Source Water Protection Area Delineation and Assessment set-aside funds to the DWSIRLF Fund.

Only those pages indicated by Revised 05/01/03 in the upper right hand corner have been changed.

I. Goals of the DWSIRLF Loan Program

The Local Governments and Rural Water Systems Improvements Board (Board) has established certain goals for the DWSIRLF Loan Program. Short term goals included establishing the DWSIRLF Loan Program and setting in place priorities and procedures which will meet the long term drinking water improvement goals of the Board, while keeping in focus the need to attract communities to the program and insure the use of all available funds. To the extent reasonably practical, this program has been structured to coordinate with other available funding programs within the State, particularly the Community Development Block Grant (CDBG) and Appalachian Regional Commission (ARC) programs, in order to make available the opportunity for joint funding of projects should communities desire such an arrangement. The coordination procedures for DWSIRLF projects funded jointly with the CDBG and/or ARC program are found in Section III.

Long term goals include: maintaining a financially sound DWSIRLF in perpetuity; meeting a substantial portion of the drinking water needs in the State within a reasonable period of time; and funding projects in order of public health importance as established by the Board, while continuing to maintain a program that is attractive to the communities in the State. Essential to achieving these goals is the determination of an interest rate and loan repayment term which will generate sufficient fund income to meet the State's needs within a reasonable period of time, but which is significantly better than private sector funding, so as to bring communities to the program and insure use of all available funds. Toward this end, the Board intends to implement the program as further described in Section II. The long term priorities for funding are described in the Priority System in Section IV, which places first priority on projects that will address the most serious risks to human health and bring existing drinking water facilities into compliance with national primary drinking water regulations, as required by the federal Safe Drinking Water Act (SDWA). Other project categories will be funded in order of priority as established within the Priority System, and as available funds allow. All projects must be demonstrated to be technically and environmentally sound through completion of a facilities plan, and its subsequent approval by the Department of Environmental Quality (DEQ) on behalf of the Department of Health (DOH).

II. Information on DWSIRLF Activities to be Supported

The Board has determined that the following will apply to the DWSIRLF loan program, subject to compliance with the DWSIRLF loan program regulations:

- a. Eligible/allowable project costs will include those project costs that are eligible, reasonable, necessary, allocable to the project, within the established project scope and budget, in conformance with the DWSIRLF regulations and approved by the Department of Environmental Quality.
- b. DWSIRLF loans may not exceed \$1,000,000. as established by State law.

- c. The only type of assistance to be provided under the DWSIRLF loan program will be loans to public entities which are authorized under State law to collect, treat, store and distribute piped water for human consumption, and to enter into a DWSIRLF loan agreement, and which have the ability to repay the DWSIRLF loan; for the construction of eligible drinking water production, treatment and distribution facilities.
- d. All loan terms will be at a 4.5% annual interest rate, compounded monthly, with a maximum 20-year, or less if requested by loan recipient, repayment period. The interest will not apply for the original construction period and will commence at the completion of the original construction period.
- e. DWSIRLF loan participation will be at 100% of eligible project costs, less any funding made available from other agencies for these same eligible project costs.
- f. Refinancing of debt for allowable construction that was incurred and building performed prior to the date of the DWSIRLF loan award and for other allowable project costs incurred prior to loan award will be DWSIRLF loan eligible provided:
 - The debt for construction was incurred and building was initiated on or after October 1, 1996.
 - The project is in compliance with all applicable DWSIRLF loan program regulations and obtains Department of Health or Department of Environmental Quality approval of all applicable documents prior to award of the DWSIRLF loan.
 - The prospective loan recipient agrees that by pursuing such a refinancing arrangement, he proceeds at his own risk and relieves the Board, the Department of Health, the Department of Environmental Quality and the Departments' staff of all responsibility and liability should such costs later be determined unallowable for any reason or should such funding not become available for any reason.
 - The prospective loan recipient agrees that by pursuing such a refinancing arrangement, no future commitment of funding a refinanced project is provided, nor is any commitment provided for future funding at a particular interest rate or loan term. Such determinations will be made in the Intended Use Plan for each fiscal year.
- g. Costs for DWSIRLF program administration will be set aside for up to 4% of the cumulative federal capitalization grants to the State under Section 1452(g)(2) of the Safe Drinking Water Act, and as may be further amended. An administration fee of 5% of the original eligible loan amount will be charged to all FY-97 loan recipients. This administration fee is an eligible DWSIRLF loan cost and will be

included in each loan agreement. Should any loan for a certain project be terminated and later awarded again, the new administration fee will be based upon the current eligible loan amount in the new loan award, allowing credit for any previously paid administration fees.

- h. Project detail information for the FY-97 DWSIRLF projects is shown in Section V of this Intended Use Plan (IUP).
 - i. The FY-97 Priority List expires on September 30, 1997. Projects listed in the FY-97 Priority List that do not receive funding by this date will not be funded under the FY-97 funding cycle, and will be subject to the requirements of the FY-98 or subsequent Intended Use Plans and Priority Lists.
- III. Coordination Schedules With Other Funding Sources on Jointly Funded Drinking Water Projects.
- A. Coordination of Drinking Water Systems Improvement Revolving Loan Fund Program and Community Development Block Grant (CDBG) Program on Jointly Funded Drinking Water Projects.

General guidance regarding DWSIRLF/CDBG coordination: Communities that receive an FY-96 CDBG award by September of 1996 for design and construction costs will be on a compatible schedule for FY-97 DWSIRLF funding provided the facilities plan, design and loan application process have been completed and the DWSIRLF loan is awarded prior to December 31, 1996. Communities that receive an FY-97 CDBG award by September of 1997 for construction costs only will also be on a compatible schedule for FY-97 DWSIRLF funding provided the facilities plan and design have been completed.

The Board will not award a DWSIRLF loan to a jointly funded drinking water project until the CDBG award for construction has been awarded or until the Department receives assurance from the Department of Economic and Community Development (DECD) office that the jointly funded drinking water project falls within the funding range for CDBG award contingent upon matching funds being in place.

If CDBG grants for jointly funded drinking water projects are not awarded by the end of the fiscal year (September 30, 1997) and all other priority system requirements have been met and the project is otherwise ready for a DWSIRLF loan award, these projects will be ranked in the Previous Year Standby Projects Category for FY-98 DWSIRLF funding.

FY-97 DWSIRLF and FY-97 CDBG Construction Project Schedule*

- | | |
|------------|--|
| 10/01/96** | Loan applicants submit complete DWSIRLF facilities plan to DEQ. The plan must indicate anticipated CDBG funding and must indicate if the loan applicant intends to proceed with the project 1) only if CDBG funds are received, or 2) regardless of whether CDBG funds are received. |
| 10/30/96 | DEQ notifies DECD of loan applicants who have submitted facilities plans which indicate anticipated FY-97 CDBG funding. |
| 11/96 | DEQ sends out Draft DWSIRLF FY-97 Intended Use Plan. |
| 11/96 | Loan applicants start design. |
| 12/01/96** | Loan applicants submit Intergovernmental Review (IGR) and public hearing comments to DEQ. |
| 12/96 | Board adopts FY-97 DWSIRLF Intended Use Plan, accounting for anticipated CDBG award amounts if identified in facilities plan. |
| 12/31/96 | Deadline for receiving an FY-97 DWSIRLF loan which will be used to provide local match for an FY-96 CDBG grant for design and construction costs. |
| 1/1/97 | DEQ notifies DECD of projects included on the final FY-97 Priority List that anticipate receiving CDBG funds. |
| 01/97 | CDBG program application workshops. |
| 03/26/97 | CDBG application receipt deadline. |
| 04/01/97** | Loan applicants submit design documents to DOH. |
| 05/01/97 | DECD provides notification to DEQ that complete CDBG application has been received. |
| 05/01/97** | Loan applicants submit DWSIRLF loan application to DEQ for total DWSIRLF eligible cost, less amount of anticipated CDBG award to be applied to the DWSIRLF eligible costs. Loan applicants may alternatively request DWSIRLF funds for the total DWSIRLF eligible costs without reduction for CDBG funds if they intend to proceed with the project regardless of whether CDBG funds are received. However, in such case a revised DWSIRLF loan application must be immediately submitted after receipt of |

any CDBG awards. In all cases the amount requested is subject to the DWSIRLF Priority List amount and available funds.

- 05/15/97 DEQ provides notification to DECD that complete DWSIRLF loan applications have been received.
- 05-09/97 If loan applicant desires DWSIRLF loan award prior to CDBG award, loan applicant must provide DEQ with a copy of letter from DECD which states their project falls within the funding range for a CDBG grant for construction contingent upon receipt of matching funds.
- 06/05/97 DECD notifies applicants whether their project falls within the funding range for CDBG grants for construction contingent upon matching funds being in place.
- 06/15/97 DECD provides notification to DEQ of which project falls within the funding range for CDBG grants for construction contingent upon matching funds being in place..
- 07-09/97 Loan applicants receive DWSIRLF loan awards from Board. The amount of the loan will be the total DWSIRLF eligible cost less the CDBG award amount to be applied to DWSIRLF eligible costs.
- 10/15/97 DEQ provides notification to DECD that DWSIRLF loan awards have been made.
- 10-12/97 Loan recipients advertise for construction bids.
- 01-03/98 Loan recipients start construction.

*Subject to change due to the timing of federal appropriations or program changes.

**Included in DWSIRLF FY-97 Priority System deadlines. Other deadlines not shown above also are contained in the DWSIRLF FY-97 Priority System.

B. Coordination of Drinking Water Systems Improvement Revolving Loan Fund Program and Appalachian Regional Commission (ARC) Grant Program on Jointly Funded Drinking Water Projects

General guidance regarding DWSIRLF/ARC coordination: Communities that receive an FY-96 ARC award by September of 1996 for design and construction costs will be on a compatible schedule for FY-97 DWSIRLF funding provided the facilities plan has been completed. Communities that receive an FY-97 ARC

award by September of 1997 for construction costs only will also be on a compatible schedule for FY-97 DWSIRLF funding provided the facilities plan and design have been completed. Communities that receive an FY-96 ARC award by September of 1996 for planning only or for planning and design costs will be on a compatible schedule for FY-98 DWSIRLF funding.

The Board will not award a DWSIRLF loan to a jointly funded drinking water project until the ARC award for construction has been awarded or until the Department of Environmental Quality receives assurance from the ARC office that the ARC award will be made by September 30, 1997.

If ARC grants for jointly funded drinking water projects are not awarded by the end of the fiscal year (September 30, 1997) and all other priority system requirements have been met and the project is otherwise ready for a DWSIRLF loan award, these projects will be ranked in the Previous Year Standby Projects Category for FY-98 DWSIRLF funding.

FY-97 DWSIRLF and FY-97 ARC Schedule*

- | | |
|------------|---|
| 10/01/96** | Loan applicants submit complete DWSIRLF facilities plan to DEQ. The plan must indicate anticipated ARC funding and must indicate if the loan applicant intends to proceed with the project 1) only if ARC funds are received, or 2) regardless of whether ARC funds are received. |
| 10/01/96 | Appalachian Regional Office/Department of Economic and Community Development Office (ARO/DECD - Tupelo) accepts preapplications for ARC grants. |
| 10-11/96 | ARO/DECD reviews preapplications and prepares State Investment Program. |
| 10/15/96 | ARO/DECD provides notification to DEQ of ARC preapplication received that anticipate DWSIRLF funding. |
| 10/30/96 | DEQ provides notification to ARO/DECD of facility plans received that anticipate ARC funding. |
| 11/96 | DEQ sends out Draft DWSIRLF FY-97 Intended Use Plan. |
| 11/96 | Loan applicants start design. |
| 12/01/96 | ARO/DECD submits State Investment Program to ARC for review and approval. |

12/01/96**	Loan applicants submit IGR and public hearing comments to DEQ.
12/96	Board adopts FY-97 DWSIRLF Intended Use Plan, accounting for anticipated ARC award amounts if identified in facilities plan.
2/97	ARC Commission meets to review and approve State Investment Programs.
3/15/97	ARO/DECD notifies DEQ of projects included in the approved State Investment Program that anticipate DWSIRLF funding.
3 - 6/97	Submission of "approvable" full applications for ARC grants to ARC/DECD for State ARC office review.
04/01/97**	Loan applicants submit design documents to DOH.
05/01/97**	Loan applicants submit DWSIRLF loan application to DEQ for total DWSIRLF eligible cost, less amount of anticipated ARC award to be applied to the DWSIRLF eligible costs. Loan applicants may alternatively request DWSIRLF funds for the total DWSIRLF eligible costs without reduction for ARC funds if they intend to proceed with the project regardless of whether ARC funds are received. However, in such case a revised DWSIRLF loan application must be immediately submitted after receipt of any ARC awards. In all cases the amount requested is subject to the DWSIRLF Priority List amount and available funds.
05/15/97	DEQ provides notification to ARO/DECD that complete DWSIRLF application has been received.
05-09/97	If loan applicant desires DWSIRLF loan award prior to ARC award, ARO/DECD provides assurance to DEQ that the ARC award will be made by September 30, 1997.
06/15/97	ARO/DECD provides notification to DEQ that complete ARC application has been received.
	ARO/DECD submits full ARC Grant Application to ARC Headquarters in Washington DC.
07-09/97	ARC Washington makes final grant award by 9/30/97.
07-09/97	Loan applicants receive DWSIRLF loan awards from DEQ. The amount of the loan will be the total DWSIRLF eligible cost less the ARC award amount to be applied to DWSIRLF eligible costs.

09/15/97 ARO/DECD provides notification to DEQ that ARC awards have been made. ARO/DECD will do whatever is possible to push ARC Washington to make final grant award in time to meet this deadline.

09/30/97 DEQ provides notification to ARO/DECD that DWSIRLF loan awards have been made.

10-12/97 Loan recipients advertise for construction bids.

01-03/98 Loan recipients start construction.

* Subject to change due to the timing of federal appropriations or program changes.

** Included in DWSIRLF FY-97 Priority System deadlines. Other deadlines not shown above also are contained in the DWSIRLF FY-97 Priority System.

FINAL
FY-97 MISSISSIPPI DRINKING WATER SYSTEMS IMPROVEMENTS
REVOLVING LOAN FUND PROGRAM PRIORITY LIST

Category I: Previous Year Certified Projects

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
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(No Projects Are Eligible For This Category in FY-97)

Category II: Primary Drinking Water Standards Projects

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
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(No Projects Are Eligible For This Category in FY-97)

Category III: Pressure Deficiencies Projects

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
East Lowndes Water Assoc.	replace water mains	8,797.6	25,000	\$ 0.9	\$ 0.9
Pleasant Hill Water Assoc.	elevated storage, service pumps, dist. lines	1,760.0	4,200	\$ 0.8	\$ 1.7
Fannin Water Assoc.	well, water mains	1,576.5	2,300	\$ 0.5	\$ 2.2

Category III: Pressure Deficiencies Projects

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
Thomasville Water Assoc.	well, water mains	873.6	1,300	\$ 0.4	\$ 2.6
Progress Community Water Assoc.	well, elevated storage, water mains	715.1	5,235	\$ 0.7	\$ 3.3
West Lamar Water Assoc.	elevated storage, water mains	455.3	9,000	\$ 0.6	\$ 3.9

Category IV: System Capacity Expansion to Serve Existing Unserved Residences/Businesses

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
Bear Creek Water Assoc.	well, elevated storage, dist. line	2,525.3	17,500	\$ 1.0	\$ 4.9
Cedar Grove - Harmony Water Assoc.	well, rehab elevated storage tank	2,014.0	1,700	\$ 0.4	\$ 5.3
D'Iberville Water and Sewer District	water dist. mains	150.0	7,300	\$ 1.0	\$ 6.3

Category V: Back-up Water Supply Sources Projects

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
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(No Projects Qualified For This Category in FY-97)

Category VI: Existing Facilities Upgrade (Meeting Primary Standards)

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
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(No Projects Qualified For This Category in FY-97)

Category VII: Secondary Drinking Water Standards Projects

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
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(No Projects Qualified For This Category in FY-97)

Category VIII: Consolidation Projects

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
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(No Projects Qualified For This Category In FY-97)

FY-98 and AFTER PLANNING LISTCategory I: Previous Year Certified Projects

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Possible Funding FY</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
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(No Projects Are Eligible For This Category In FY-97)

Category II: Primary Drinking Water Standards Projects

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Possible Funding FY</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
Yokena - Jeff Davis Water District, Inc.	parallel dist. lines	1,288.1	2,280	98	\$ 0.6	\$ 0.6
Winterville Water Assoc.	rehab of entire syst.	111.3	177	98	\$ 0.6	\$ 1.2

Category III: Pressure Deficiencies Projects

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Possible Funding FY</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
Dundee Water Assoc.	dist. syst. improv.	47,250.0	1,512	98	\$ 0.1	\$ 1.3
City of Port Gibson	well	8,892.0	5,100	98	\$ 0.3	\$ 1.6
City of Port Gibson	elev. tank	5,279.7	5,100	99	\$ 0.5	\$ 2.1

Category III: Pressure Deficiencies Projects – Cont.

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Possible Funding FY</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
Leesburg Water Assoc.	elev. tank	3,558.6	3,096	98	\$ 0.3	\$ 2.4
Culkin Water District	elevated tank & dist. syst. improv.	3,550.9	10,410	98	\$ 1.0	\$ 3.4
Double Ponds Water Assoc.	elev. tank, trt, well rehab, dist. syst. upgrade	2,450.5	2,994	98	\$ 0.7	\$ 4.1
City of Richland	transmission lines	2,183.9	4,014	98	\$ 0.9	\$ 5.0
Thrasher Water Assoc.	new dist. system	1,913.2	1,506	98	\$ 0.3	\$ 5.3
City of Hazelhurst	elev. tank, dist. line improvements	1,833.3	4,221	98	\$ 1.0	\$ 6.3
ACL Water Assoc., Inc.	well, dist. system improvements	1,690.0	2,535	98	\$ 0.5	\$ 6.8
City of Magnolia	dist. system	1,334.4	2,245	98	\$ 1.0	\$ 7.8
Carnes Water Assoc.	elevated tank, new dist lines	201.5	540	98	\$ 1.0	\$ 8.8

Category IV: System Capacity Expansion to Serve Existing Unserved Residences/Businesses

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Possible Funding FY</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
City of Long Beach	new well	19,333.3	19,000	98	\$ 0.3	\$ 9.1
City of Hattiesburg	dist. lines	19,256.9	45,870	98	\$ 0.8	\$ 9.9
Big V Water Assoc.	trt, dist lines	14,174.4	3,450	98	\$ 0.1	\$ 10.0
Columbus Light & Water Dept.	dist. lines	10,033.1	23,799	98	\$ 1.0	\$ 11.0
Okatoma Water Assoc. Inc.	tank, mains	8,792.7	7,623	98	\$ 0.4	\$ 11.4
Tri Lake Rural Water Assoc.	dist. syst. improvements, elev. tank, pump & tank	3,819.0	1,584	98	\$ 0.2	\$ 11.6
City of Holly Springs	well, elev. tank, dist. lines	2,344.8	7,261	98	\$ 1.0	\$ 12.6
City of Long Beach	water dist. mains, service connections	5,821.9	19,000	98	\$ 0.9	\$ 13.5

Category V: Back-up Water Supply Sources Projects

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Possible Funding FY</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
Mt. Gilead – Improve Water Assoc.	well	4,670.1	3,000	98	\$ 0.2	\$ 13.7
Phillipston Water Assoc.	well	385.6	207	98	\$ 0.2	\$ 13.9

Category VI: Existing Facilities Upgrade (Meeting Primary Standards)

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Possible Funding FY</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
City of Port Gibson	tank rehab.	12,621.3	5,100	98	\$ 0.2	\$ 14.1
City of Meridian	new transmission line	12,433.0	41,036	98	\$ 1.0	\$ 15.1
Culkin Water Assoc.	sludge handling, backwash water recycling	5,184.4	10,410	98	\$ 0.7	\$ 15.8
City of Newton	service pump, upgrade dist. system	3,965.8	4,860	98	\$ 0.5	\$ 16.3
City of Magnolia	rehab. existing treatment Facility	2,265.6	2,245	98	\$ 1.0	\$ 17.3
North District One Water Assoc.	new well, tank rehab & replace filter media	2,170.8	675	98	\$ 0.2	\$ 17.5

Category VII: Secondary Drinking Water Standards Projects

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Possible Funding FY</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
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(No Projects Requested Ranking In This Category in FY-97)

Category VIII: Consolidation Projects

<u>Project</u>	<u>Project Description</u>	<u>Priority Points</u>	<u>Service Area Population</u>	<u>Possible Funding FY</u>	<u>Loan Amount Requested (Millions)</u>	<u>Statewide Cum. \$ (Millions)</u>
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(No Projects Requested Ranking In This Category In FY-97)

Abbreviations

Assoc.	-	Association
Cum	-	Cumulative
Dist. line	-	Drinking water distribution lines
Elev tank	-	Elevated storage tank
Pump & Tank	-	Service pump and storage tank
Rehab	-	Rehabilitation of existing facilities for the purpose of extending its useful life.
Trt	-	Treatment facility
Well	-	Drinking water well

IV. Drinking Water Systems Improvements
Revolving Loan Fund
Priority System

A. Program Funding and Ranking Rationale

1. Projects will be scheduled on the fundable portion of the Priority List according to both priority ranking and readiness to proceed. The term "readiness to proceed" means that all deadlines established in Section C. can be met. If a project cannot reasonably be expected to meet these deadlines, then the project will not be placed on the fundable portion of the Priority List, but rather will be shown on the planning portion of the list. It is the Board's judgement as to whether the project can be ready to proceed. Projects on the fundable portion of the Priority List will be funded as soon as they meet all the deadlines in Section C. and are ready for loan award.

Project By-pass Procedure: Should any project on the fundable portion of the Priority List fail to comply with the deadlines in Section C., the funds reserved for said project will be released and made available on a first come, first served basis to the highest ranking project(s) on the planning list that are ready for loan award.

Should less than the assumed funds become available, the funding line will be moved to reflect the actual available funds, and projects above this line will be funded as described above, without further public review or comment. Also, should more than the assumed funds become available or if the assumed funds exceed the project amounts on the fundable portion of the list, the highest ranking projects on the planning portion of the Priority List that are ready to proceed will be funded on a first come, first served basis within the available funds, without further public review or comment.

Project categories are defined below. Projects in Category I will be funded each year to the extent the Board makes funds available. Projects in Categories II through VIII are ranked in categorical order. That is, all Category II projects are ranked higher than Category III projects, etc. Ranking is established in like manner through all remaining categories. Adjustments will be made as necessary to comply with small community set aside provisions of the Federal Safe Drinking Water Act and as established by the Board [Section 1542(a)(2) of SDWA]. The order of Categories II - VIII is intended to give highest priority to those projects that address the most serious risks to human health. Projects within each category will be funded as described in Section B. if they meet established Priority System deadlines.

2. Category I - Previous Year Certified Projects

Priority for this category will be given to the previous year Category II projects to the maximum extent practicable. Category I includes projects (both above and below the funding line) that are determined by the Department to have met all the Priority System requirements, secured approval of all required documents, and were substantially ready to receive loans during the previous fiscal year, but were not funded because of a lack of improvement loan funds or failure to receive an assurance of CDBG, ARC or other matching funds in the previous fiscal year. Each year, the Board will normally designate such projects in an amount of up to approximately 25% of the current year's available funds as Category I Projects. Providing this special category in FY-98 to fund projects that have been certified complete from FY-97 will encourage applicants whose projects initially fall below the funding line to continue meeting all Priority System deadlines. Those applicants who continue to meet deadlines in attempting to qualify for Category I in FY-98 also provide a pool of projects, ready for loan award in FY-97, to replace any projects (initially above the funding line) that have their funds released for failure to meet deadlines during FY-97. Within this category, projects will be ranked according to the current Priority Ranking Criteria. (There will be no Category I this first year of the Improvements Fund's operation. Applicants should, however, be aware of its existence so that they maintain milestone dates to possibly qualify for next year's Category I.).

3. Category II - Primary Drinking Water Standards

Projects to facilitate compliance with Primary Drinking Water Standards. To qualify for this category projects must correct deficiencies resulting in non-compliance with primary drinking water standards.

4. Category III - Pressure Deficiencies

Projects to correct deficiencies that result in existing systems routinely failing to maintain minimum acceptable dynamic pressure. Experience has shown that failure of water systems to maintain minimum acceptable dynamic pressure is the major cause of system contamination in Mississippi. System contamination that results from inadequate water system pressure is considered by the Mississippi State Department of Health to be one of the most serious drinking water related threats to public health in the State. Deficiencies causing pressure failures may include, but are not limited to, the following:

- a. Insufficient supply source (wells, etc.);
- b. Insufficient treatment capacity;
- c. Insufficient eligible storage (elevated or ground);
- d. Distribution system leakage;
- e. Distribution system inadequacies; and
- f. Worn-out, malfunctioning or inadequate equipment, facilities, etc.

5. Category IV - System Capacity Expansion To Serve Existing Unserved Residences/Businesses

Projects to expand existing system capacity to ensure safe drinking water (source, treatment and/or distribution), or construct new systems to serve existing residences and existing businesses in currently unserved areas.

6. Category V - Back-up Water Supply Sources Projects

Projects to provide additional supply to systems with insufficient or non-existent back-up water supply sources to ensure safe drinking water, and thereby protect the health of the existing population. As a minimum, a system using ground water should be able to lose any one of the wells supplying the system and still maintain minimum acceptable dynamic pressure throughout the entire system.

7. Category VI - Existing Facilities Upgrades (Meeting Primary Standards)

Projects to rehabilitate, replace, protect or upgrade deteriorated, worn, aged or obsolete equipment, facilities, etc., to assure continued, dependable operation of water systems where such systems are already meeting Primary Drinking Water Standards.

8. Category VII - Secondary Drinking Water Standards Projects

Projects to provide treatment that brings systems into compliance with Secondary Drinking Water Regulations.

9. Category VIII - Consolidation Projects

Projects to consolidate separate systems into a single system for purposes other than included in Categories II through VII. Consolidation is also considered in establishing priority ranking within all categories, as described in the Priority Ranking Criteria in Section B.

B. Priority Ranking Criteria

The criteria for ranking projects within each category is intended to give priority to projects that: 1) benefit the most people per dollar expended; 2) assist systems most in need on a per household affordability basis as required by the Safe Drinking Water Act; and 3) use consolidation with other systems to correct existing deficiencies and improve management. These considerations are addressed by the Priority Ranking Criteria in the following manner:

1. Benefit/Cost

Benefit/Cost points assigned to each project will be determined using the following formula:

$$\text{Benefit/Cost Points} = \frac{\text{Number of benefiting connections}}{\text{Total eligible cost of improvements (in \$1.0 millions)}}$$

The number of benefiting connections must be included in the facilities plan submitted by the applicant and is defined as the sum of individual connections currently experiencing deficiencies that will be corrected by the improvement and includes only existing residences, businesses, and public buildings. Applicants must furnish information (including hydraulic analyses, if necessary) to support their estimate of the number of benefiting connections. The total eligible cost is in millions of dollars (i.e., \$800,000 = \$0.8 M).

2. Affordability Factor

An affordability factor will be assigned to each project to reflect the relative needs of applicants on a per household basis. The Benefit/Cost points calculated in Section B.1. will be adjusted using the affordability factor in the following formula:

$$\text{Adjusted Benefit/Cost Points} = (\text{Affordability Factor}) \times (\text{Benefit/Cost Points})$$

The affordability factor used in the calculation is defined as the ratio of the 1995 median household income for the State of Mississippi (\$28,077) to the 1995 median household income for the affected community and will be no less than 1.0 and no greater than 1.5. Median household incomes to be used in the calculations will be those displayed in the publication "The Sourcebook of Zip Code Demographics", Tenth Edition. Where the affected community is included in more than one zip code area, an average will be used for the community's median household income.

3. Consolidation

Any project that includes consolidation (ownership and management) of separate existing systems into a single system will receive consolidation points equal to 0.5 times the Benefit/Cost points assigned to the project. The purpose of assigning consolidation points is to promote reliability, efficiency and economy of scale that can be achieved with larger water systems while discouraging the proliferation of numerous separate small systems with their inherent inefficiencies and limitations. Projects that do not include consolidation will receive zero consolidation points.

$$\text{Consolidation Points} = 0.5 \times (\text{Benefit/Cost Points})$$

4. Ranking Within Each Category

Within each category, projects will be ranked in order based on the total points assigned the project using the following formula:

$$\text{Total Priority Points} = (\text{Adjusted Benefit/Cost Points}) + (\text{Consolidation Points})$$

Projects receiving the most priority points will be given the highest ranking on the Priority List. In cases of ties in the number of priority points, projects with the lowest median household income will receive the highest ranking.

5. Small Community Set-Aside

Following completion of the ranking process, the Priority List will be reviewed to determine if at least 15% of funding for projects above the funding line is for public water systems which regularly serve fewer than 5,000 people. If this is not the case, the Priority List will be adjusted by exchanging the lowest ranking projects above the funding line that serve 5,000 or more with the highest ranking projects below the funding line that serve fewer than 5,000, until the 15% requirement is satisfied.

C. Priority System Deadlines

Should any project fail to comply with any of the following deadlines in this Priority System, the funds reserved for said project will be released and made available to any projects that are ready for loan award on a first-come, first-served basis.

1. By October 1, 1996, submit two (2) copies of the DWSIRLF facilities plan prepared in accordance with the DWSIRLF loan program regulations, to the Department of Environmental Quality and one (1) copy to all intergovernmental review agencies (see Appendix K of DWSIRLF Loan Program Regulations). The Department of Environmental Quality must be copied on the transmittal letters to all intergovernmental review agencies. Intergovernmental review comments and public hearing comments may be excluded in this submittal.

Prior to beginning the facilities plan, the potential applicant and/or its registered engineer must request and receive facilities planning guidance from the Department of Environmental Quality, and should attend a preplanning conference with the Department staff as early in the planning process as practical.

2. By October 1, 1996, the loan recipient must advertise for the DWSIRLF facilities plan public hearing, and submit proof of such advertisement to the Department of Environmental Quality.
3. By December 1, 1996, the following documents must be submitted to the Department.

- all intergovernmental review comments;
- a transcript of the public hearing comments;
- plan revisions pursuant to public hearing/IGR comments; and
- a summary of how each public hearing/IGR comment was addressed.

It is not necessary to receive comments on the facilities plan from the Department of Environmental Quality prior to:

- advertising the public hearing;
- holding the public hearing; or
- submitting this information to the Department.

Any significant changes made to the facilities plan (i.e., changes in the chosen alternative, location of the facilities, etc.) after this deadline will be considered as a first submittal of the facilities plan. The loan recipient will then be considered to be in violation of this Priority System deadline.

4. By January 1, 1997, the following documents, if required by the project, must be submitted to the appropriate Intergovernmental Review agency:
 - completed archaeological/cultural surveys must be submitted to the Department of Archives and History for approval.
 - completed vegetative/wildlife surveys must be submitted to the Natural Heritage Program for approval; and
 - Section 404/Section 10 Permit applications must be submitted to the Army Corps of Engineers (and the Bureau of Marine Resources for Jackson, Harrison, and Hancock County projects).

These submittals must be made in accordance with the Intergovernmental Review Process, if required for the project. The Department of Environmental Quality must be copied on the transmittal letter to these agencies.

5. By March 1, 1997, the following must be submitted to both the Department of Finance and Administration, Office of Policy Development, and the local Planning and Development District in accordance with the Intergovernmental Review Process:

- a 424 form (Application for Federal Assistance) completed where appropriate;
- a brief narrative describing the project;
- a map showing the location of all proposed construction;
- the archaeological/cultural survey approval letter from the State Department of Archives and History;
- the vegetative/wildlife survey approval letter from the Natural Heritage Program;
- copies of the issued Section 404/Section 10 Permits;
- copies of the issued Bureau of Marine Resources Permit; or
- letters stating the surveys or permits are not required.

The Department of Environmental Quality must be copied on the transmittal letters to these agencies.

6. By April 1, 1997, the following documents must be submitted to the Department of Environmental Quality:
 - two copies of completed plans, specifications, and contract documents;
 - approved archaeological/cultural resource surveys;
 - approved vegetative/wildlife surveys;
 - a copy of the issued Section 404/Section 10 Permits;
 - a copy of the issued Bureau of Marine Resources Permits (for projects in Harrison, Hancock, and Jackson Counties);
 - completed NPDES and solid waste disposal permit applications for the project, if applicable; and
 - if applicable, written waivers executed by the owners of all adjacent property where required buffer zones will not be obtained, in accordance with Appendix N of the DWSIRLF regulations.

Prior to beginning the plans, specifications, and contract documents, the potential applicant and/or its registered engineer must request and receive design guidance

from the Department of Environmental Quality, and should attend a pre-design conference with the Department staff as early in the design process as practical.

7. By May 1, 1997, a completed DWSIRLF loan application and all associated documents (see Appendix C) as described in the DWSIRLF regulations must be submitted to the Department of Environmental Quality. Prior to beginning these documents the potential applicant and/or its registered engineer must request and receive a DWSIRLF application and guidance, and should attend a pre-application conference with Department staff as early in the application process as practical.

If the loan recipient is pursuing a CDBG or ARC grant to cover part of the cost of construction, the loan recipient has the option to include the anticipated CDBG or ARC grant amount in the detailed cost breakdown; or may request 100% DWSIRLF funding with the possibility of amending the loan application later if the loan recipient is awarded a CDBG or ARC grant prior to September 30, 1997. The merits of these options will be discussed during the pre-application conference. However, the DWSIRLF loan application must be consistent with the DWSIRLF facilities plan for the project.

8. By May 1, 1997, the final clearance from the Department of Finance and Administration, Office of Policy Development, and all other comments received, must be submitted to the Department of Environmental Quality in accordance with the Intergovernmental Review Process.
9. By May 1, 1997, the loan recipient must complete the appropriate requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act and certification must be made by the loan recipient and its title counsel to the Department of Environmental Quality that all loan ineligible real property and easements (including power) have been secured for the entire project by one of the following methods:

- clear title; or
- bonafide options to purchase; or
- initiation of condemnation. (Condemnation must only be filed after all steps in the Uniform Act have been taken.)

These certifications must be made on forms established by the Department staff and must not be altered.

By May 1, 1997, for project portions where acquisition of land is loan eligible (i.e., treatment facility sites and land acquired for consolidation projects) the loan recipient must complete the appropriate requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act and must make a written request to the Department of Environmental

Quality for approval of the purchase price of the property. The written request must include:

- copies of the appraisal(s) for loan eligible land. (One appraisal if the estimated value of land is less than \$150,000. Two appraisals if estimated value is greater than \$150,000);
- copy of the review appraisal;
- copy of the proposed statement of just compensation; and
- copy of the proposed option to purchase.

(Note: Eligible land must be acquired from a willing seller at a fair market value. Land acquired through condemnation is not from a willing seller and would therefore not be eligible for DWSIRLF funding.)

10. By May 1, 1997, certification must be submitted to the Department of Environmental Quality that all local funds necessary for the project have been secured, or will be secured within 90 days after loan award, along with a statement to this effect from the funding source. If local funds will be raised by a local bond issue, a copy of the authorizing resolution and a bond issuance schedule may be submitted in lieu of a statement from a funding source. These certifications must be made on forms established by the Department staff and must not be altered.
11. By May 1, 1997, a revised Financial Capability Summary, reflecting the most recent design level cost estimates, must be submitted to the Department of Environmental Quality.
12. By August 1, 1997, if the loan recipient will use CDBG or ARC funds in conjunction with DWSIRLF loan funds on the project, the loan recipient must submit to the Department of Environmental Quality a letter from the Director of the State Community Development Block Grant (CDBG) or ARC Program which states the amount of the CDBG or ARC funds available for this project falls within the funding range for CDBG or ARC award contingent upon matching funds being in place.
13. By August 1, 1997, clear title to all loan ineligible real property and easements (including power) for the entire project must be obtained in accordance with the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act and clear title certificates from the loan recipient and its title counsel must be submitted to the Department of Environmental Quality. These certifications must be made on forms established by the Department staff and must not be altered.

By August 1, 1997, for project portions where acquisition of land is loan eligible, the loan recipient must secure Department of Environmental Quality approval of

the purchase price and the option to purchase, and must submit the executed option to purchase the loan eligible real property.

Project Assistance														Technical Information	
FY-97 Projects	No.	Population of Service Area	Project Schedule			Project Assistance				Initial			Project Category ⁺	Priority Ranking	Cross-Cutter Equivalency Project
			BCD	CSD	CCD	Type Assist.	Assist. Amount	Interest Rate	Repay Period	Repay Date					
East Lowndes Water Assoc.	97-01	25,000	09/30/97	03/15/98	09/15/98	Loan	\$ 0.9 M	4.5%	20 yrs	03/15/99	III	8,797.6		yes	
Pleasant Hill Water Assoc.	97-02	4,200	05/01/97	07/15/97	01/15/98	Loan	\$ 0.8 M	4.5%	20 yrs	07/15/98	III	1,760.0		yes	
Fannin Water Assoc.	97-03	2,300	09/30/97	03/15/98	12/01/98	Loan	\$ 0.5 M	4.5%	20 yrs	05/01/99	III	1,576.5		yes	
Thomasville Water Assoc.	97-04	1,300	09/30/97	04/01/98	10/01/98	Loan	\$ 0.4 M	4.5%	20 yrs	03/31/98	III	873.6		yes	
Progress Community Water Assoc.	97-05	5,235	06/30/97	11/30/97	11/30/98	Loan	\$ 0.7 M	4.5%	20 yrs	05/30/99	III	715.1		yes	
West Lamar Water Assoc.	97-06	9,000	06/30/97	11/30/97	07/28/98	Loan	\$ 0.6 M	4.5%	20 yrs	01/28/99	III	455.3		yes	
Bear Creek Water Assoc.	97-07	17,500	09/30/97	04/01/98	04/01/99	Loan	\$ 1.0 M	4.5%	20 yrs	9/30/99	IV	2,525.3		yes	
Cedar Grove – Harmony Water Assoc.	97-08	1,700	9/30/97	3/1/98	9/30/98	Loan	\$ 0.4 M	4.5%	20 yrs	03/31/99	IV	2,014.0		yes	
D'Iberville Water and Sewer District	97-09	7,300	05/01/97	6/01/97	03/31/98	Loan	\$ 1.0 M	4.5%	20 yrs	09/30/98	IV	150.0		yes	
Program Admin.	97-10	N/A	N/A	N/A	N/A	Grant	\$ 0.66 M	N/A	N/A	N/A	N/A	N/A		yes	
Small System Technical Assistance Set-aside	97-11	N/A	N/A	N/A	N/A	Grant	\$ 0.33 M	N/A	N/A	N/A	N/A	N/A		yes	
Source Water Delineation & Assessment Study	97-12	N/A	N/A	N/A	N/A	Grant	\$ 1.65 M	N/A	N/A	N/A	N/A	N/A		yes	
Totals							\$ 8.94 M								

Notes: - All of the above loan projects will require an environmental review in accordance with the State DWSIRLF regulations.
- These loan amounts include a 5% administrative fee charged to all FY-97 loan recipients.
+ = Project categories are defined in the Priority System on page 18 of this Intended Use Plan.
* BCD = Binding Commitment Date
* CSD = Construction Start Date
* CCD = Construction Completion Date

VI. FY-97 Assumed Available Funds

These funds breakdowns are shown in Appendix A. Should more or less than these assumed appropriations be made, the Board will fund projects in accordance with Section A.1. of the Priority System.

VII. DWSIRLF Financial Planning Process

In accordance with the Board's desire to maintain a financially sound DWSIRLF loan fund in perpetuity, while at the same time meeting a substantial portion of the drinking water needs in the State within a reasonable period of time, the following financial decisions were made regarding the fund. The Board intends that the Department of Health apply for the entire State allotment under the federal Drinking Water SRF, including the set-asides described in Section VIII. below. The Board intends to deposit all the proceeds from the sale of \$ 15 million in general obligation bonds authorized under State law into the DWSIRLF fund to be "banked" as State Match for federal DWSRF capitalization grants, and will make this entire amount immediately available for DWSIRLF loans. At the present time the total of these two funding sources provides sufficient funds to meet the anticipated demands for FY-97, and the Board is therefore not considering leveraging the federal capitalization grant. The Board chose to set the interest rate for FY-97 at 4½ % to be consistent with other State funded loan programs, and to keep the interest rate above current inflation rates to maintain the fund's buying power in future years. The Board chose to apply the 4½ % interest rate to all loans made during FY-97.

Investment Procedures for Excess Cash - According to the State Treasurer, the excess cash in the DWSIRLF is invested by the State Treasurer in securities prescribed in Section 27-105-33, et. Seq., of the Mississippi Code of 1972 Annotated, as amended. The securities in which State funds may be invested include certificates of deposit with qualified State depositories, repurchase agreements (fully secured by direct United States Treasury obligations, United States Government agency obligations, United States Government instrumentalities or United States Government sponsored enterprise obligations), direct United States Treasury obligations, United States Government agency obligations, United States Government instrumentalities or United States Government sponsored enterprise obligations, and any other open-ended or closed-ended management type investment company or investment trust registered under the provisions of 15 U.S.C. Section 80(a)-1 et.seq., provided that the portfolio is limited to direct obligations issued by the United States of America, United States Government agency obligations, United States Government instrumentalities or United States Government sponsored enterprise obligations and to repurchase agreements fully collateralized by the securities listed above for repurchase agreements.

VIII. State Set-asides

Section 1452 of the Safe Drinking Water Act Amendments of 1996 allows the State to set-aside portions of the federal Capitalization Grant to the State for various purposes. The Board took each of these set-asides under consideration and took the following actions regarding set-asides:

1. DWSRF Administrative Expenses - The Board intends to set aside four (4%) percent of its FY-97 Capitalization Grant to cover the cost of administering the DWSIRLF program.
2. State Program Management - In an attempt to build the corpus of the DWSIRLF, the Board does not intend to set aside any of its FY-97 Capitalization Grant for state program management activities allowed under Section 1452(g)(2). The State Department of Health intends to spend the next year studying the new requirements of the Safe Drinking Water Act Amendments and developing its strategies for meeting these requirements. Once these studies have been completed and the Department has a better grasp on the new requirements under the SDWA, the Board may in future years decide to set-aside funds from subsequent Capitalization Grants to help meet these new requirements.
3. Small Systems Technical Assistance - The Board intends to set aside two (2%) percent of its FY-97 Capitalization Grant to provide technical assistance to public water systems serving under 10,000 population. The Board also intends to consider proposals from parties interested in providing technical assistance to these public water systems. The Board intends to use this two (2%) percent set-aside to fund these activities.
4. Local Assistance and Other State Programs -
 - a. Source Water Protection Area Delineation & Assessment - The Board intends to set aside, at the State Board of Health's request, \$1,047,456 of the FY-97 Capitalization Grant to provide funding as necessary to delineate and assess source water protection areas in the State in accordance with Section 1454 (a) of the Safe Drinking Water Act Amendments of 1996.

Funds for this purpose are only available from the FY-97 capitalization grant, but the State has four fiscal years after it receives its FY-97 Capitalization Grant to expend this money. The State Department of Health intends to wait until EPA publishes guidance on implementing a source water assessment program before it develops its assessment program. This guidance is expected during the summer of 1997, therefore it is anticipated that no monies from this set aside will be expended during FY-97.

- b. The Board does not intend to set aside any other funds from its FY-97 Capitalization Grant for any of the activities to assist development and/or implementation of local drinking water protection initiatives described in Section 1452. The State Department of Health intends to spend the next year studying the new requirements of the Safe Drinking Water Act Amendments and developing its plans for meeting these requirements. The State Department of Health may in future years ask the Board to set-aside funds from subsequent Capitalization Grants to help meet these new requirements.
5. Disadvantaged Communities Set-aside - The Board does not intend to implement a disadvantaged communities program at the present time.

No funds shall be expended from the monies proposed to be set aside in this section without a vote by the Board and approval of any applicable contracts for the purposes stated above. Requests for payments from these funds must be submitted to the Board for its review and approval before funds will be released.

IX. Proposed Payment (Federal Letter of Credit {LOC}) Schedule For FY-97 Cap. Grant:

<u>Payment (LOC) Number</u>	<u>Payment (LOC) Date</u>	<u>Payment (LOC) Amount</u>	<u>Cumulative (LOC) Amount</u>
FY-97 No 1 of 8	4Q FY-97	\$ 2,060,000	\$ 02,060,000
FY-97 No 2 of 8	1Q FY-98	\$ 2,060,000	\$ 04,120,000
FY-97 No 3 of 8	2Q FY-98	\$ 2,060,000	\$ 06,180,000
FY-97 No 4 of 8	3Q FY-98	\$ 2,060,000	\$ 08,240,000
FY-97 No 5 of 8	4Q FY-98	\$ 2,060,000	\$ 10,300,000
FY-97 No 6 of 8	1Q FY-99	\$ 2,060,000	\$ 12,360,000
FY-97 No 7 of 8	2Q FY-99	\$ 2,060,000	\$ 14,420,000
FY-97 No 8 of 8	3Q FY-99	\$ 2,054,200	\$ 16,474,200

Projected Schedule of Drawdowns Against Federal Letter of Credit for FY-97 Cap. Grant
(Outlays): (See Appendix B)

<u>Outlay Quarter</u>	<u>Federal Outlay Amount</u>	<u>Cumulative Outlay Amount</u>
4Q FY-97	\$ 0,590,000	\$ 0,590,000
1Q FY-98	\$ 0,900,000	\$ 1,490,000
2Q FY-98	\$ 0,940,000	\$ 2,430,000
3Q FY-98	\$ 1,200,000	\$ 3,630,000
4Q FY-98	\$ 1,100,000	\$ 4,730,000
1Q FY-99	\$ 1,540,000	\$ 6,270,000
2Q FY-99	\$ 0,920,000	\$ 7,190,000
3Q FY-99	\$ 2,920,000	\$ 10,110,000
4Q FY-99	\$ 2,670,000	\$ 12,780,000
1Q FY-00	\$ 2,470,000	\$ 15,250,000
2Q FY-00	\$ 1,160,000	\$ 16,410,000
3Q FY-00	\$ 0,064,200	\$ 16,474,200

XI. Certifications

1. The State certifies that all drinking water facility projects in this Intended Use Plan identified in Section IV as being subject to the federal cross-cutting requirements are or will be in compliance with all such requirements prior to the State entering into an assistance agreement with the recipient.
2. The State certifies that it will make a biennial report to the Regional Administrator on the actual uses of the funds and how the State has met the goals and objectives for the previous two fiscal years as identified in the IUP's; and to annually have conducted an independent audit of the funds to be conducted in accordance with generally accepted government accounting standards.
3. The State certifies that this Intended Use Plan has been subjected to public review and comment prior to final submission to EPA.
4. The State certifies that all drinking water facility projects in this Intended Use Plan are on the project Priority List developed pursuant to the requirements of Section 1452(b)(3)(B), SDWA.
5. The State certifies that it will enter into binding commitments for 120% of the amount of each payment (LOC) under the capitalization grant within one year after receipt of each payment (LOC).
6. The State certifies that it will commit and expend all DWSIRLF Fund monies as efficiently as possible, and to disburse the funds in a timely and expeditious manner.

7. The State certifies that it will conduct environmental reviews on all DWSRF cross-cutter equivalency projects in accordance with the State environmental review process.

Appendix A

State of Mississippi DWSIRLF Program
FY-97 Assumed Available Funds

The following breakdown of funds is based on an actual federal appropriation of \$1.275 billion for the Drinking Water SRF in federal FY-97. An assumption is made that EPA will not set aside any funds for Small System Technical Assistance (section 1452(q)) or Operator Training Reimbursement (section 1452 (m)) in FY-97 and that the State allotment formula will be 1.315%, which is the state's PWSS allotment formula.

<u>FY-97 National Title I DWSRF Appropriation</u>	\$1,275,000,000
(=) Mississippi Allotment [section 1452(m)] ¹	\$ 16,474,200
(-) DWSRF Administrative Reserve [section 1452(g)(2) - 4%]	\$ 658,968
(-) State Program Management [section 1452(g)(2)]	\$ 0
(-) Small Systems Technical Assistance [section 1452(g)(2) - 2%]	\$ 329,484
(-) Local Assistance & Other State Programs (Source Delineation)	\$ 1,047,456
(+/-) Receipt or Transfer of Funds to Wastewater SRF Loan Fund (Section 302)	\$ 0
(=) Total FY-97 Federal Funds Available for DWSIRLF Loans	\$ 14,438,292
(+) State Match Required (20% of Mississippi Allotment) ²	\$ 3,294,840
(=) Total FY-97 Federal + Required State Match Funds	\$ 17,733,132
(+) Excess State Match ³	\$ 6,705,160
(=) Total FY-97 Funds Available for New Loan Awards	\$ 24,438,292
(-) Total Funds Needed For Projects on FY-97 Priority List	\$ 6,300,000
(=) FY-97 Funds Carried Over to FY-98	\$ 18,138,292

¹ This amount includes \$131,400 in federal funds that were not previously requested in the original FY-97 Capitalization Grant application submitted to EPA on April 3, 1997.

² During the Spring '95 Legislative Session, the Legislature passed House Bill No. 209 to establish a Local Governments and Rural Water Systems Improvements Revolving Loan Program and authorized the sale of \$15,000,000 in General Obligation Bonds to be deposited into the Loan Fund. One of the purposes stated in the law for these funds is that, "All or any portion of the monies in the fund may be used to match any federal funds that are available for the same or related purposes for which funds are used and expended under this act". \$10,000,000 of these General Obligation bonds were sold in May of 1997 and were deposited into the DWSRF fund on May 29, 1997.

The remainder of the proceeds from the General Obligation Bonds will be deposited into the DWSIRLF fund to be available immediately for loan awards to eligible recipients. It is the intent of the State to claim this amount as State Match for future federal Capitalization grants.

Appendix B
II. Projected Schedule of Outlays for Projects (\$ Millions)

Projects	4Q FY-97	1Q FY-98	2Q FY-98	3Q FY-98	4Q FY-98	1Q FY-99	2Q FY-99	3Q FY-99	4Q FY-99	1Q FY-2000	2Q FY-2000	Totals
East Lowndes Water Assoc.		0.06	0.02	0.32	0.32	0.18						\$ 0.9
Pleasant Hill Water Assoc.	0.08	0.30	0.30	0.12								\$ 0.8
Fannin Water Assoc.		0.05	0.02	0.13	0.13	0.13	0.04					\$ 0.5
Thomasville Water Assoc.		0.03	0.02	0.15	0.15	0.05						\$ 0.4
Progress Community Water Assoc.	0.05	0.02	0.13	0.13	0.13	0.13	0.11					\$ 0.7
West Lamar Water Assoc.					0.05	0.02	0.22	0.22	0.09			\$ 0.6
Cedar Grove - Harmony Water Assoc.		0.03	0.02	0.15	0.15	0.05						\$ 0.4
Bear Creek Water Assoc.		0.08	0.03	0.20	0.20	0.20	0.20	0.09				\$ 1.0
D'Iberville Water & Sewer District	0.29	0.27	0.27	0.17								\$ 1.0
FY-98 Projects						0.91	0.34	3.06	2.99	2.88	1.25	\$ 11.43
\$Totals (100.00%)	0.42	0.84	0.81	1.37	1.13	1.67	0.91	3.37	3.08	2.88	1.25	\$ 17.73
State Match (18.58%)	0.08	0.16	0.15	0.25	0.21	0.31	0.17	0.63	0.57	0.54	0.22	\$ 3.29
Federal FY-97 Cap. Grant (81.42%)	0.34	0.68	0.66	1.12	0.92	1.36	0.74	2.74	2.51	2.34	1.03	\$ 14.44
Other (0.00%)*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ 0.00

* Other funds include DWSIRLF Bond proceeds.

Appendix B
II. Projected Schedule of Outlays
for Set Asides (\$ Millions)

Federal Set-Asides	4Q FY-97	1Q FY-98	2Q FY-98	3Q FY-98	4Q FY-98	1Q FY-99	2Q FY-99	3Q FY-99	4Q FY-99	1Q FY-00	2Q FY-2000	3Q FY-2000	Totals
Program Administration	0.25	0.21	0.20										\$ 0.66
Small System Technical Assistance Set-aside	0.00	0.00	0.05	0.05	0.05	0.05	0.05	0.05	0.03				\$ 0.33
Source Water Delineation & Assessment Study ¹	0.00	0.01	0.03	0.03	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.06	\$ 1.04
Total Set-Asides	0.25	0.22	0.28	0.08	0.18	0.18	0.18	0.18	0.16	0.13	0.13	0.06	\$ 2.03

¹ The State Department of Health intends to wait until EPA publishes guidance on implementing a source water assessment program before it develops its assessment program. This guidance is expected during the summer of 1997, therefore it is anticipated that no monies from this set aside will be expended during FY-97.

Appendix C

Attachments for DWSIRLF Loan Application Package

1. Draft user charge ordinance/corporate resolution (DWSIRLF III.C.2.(b))
2. Draft water use ordinance/corporate resolution (DWSIRLF III.C.2.(c))
3. Contracts for professional services (DWSIRLF III.C.2.(d))
4. Procurement Certification (DWSIRLF III.C.2.(e))
5. Site certificates from Project Representative and Title Counsel (ineligible) (DWSIRLF III.C.2.(f)(i))
6. Copies of appraisals for loan eligible land (DWSIRLF III.C.2.(f)(ii))
7. Copies of review appraisals for loan eligible land (DWSIRLF III.C.2.(f)(ii))
8. Draft of options to purchase for loan eligible land (DWSIRLF III .C.2.(f)(ii))
9. Written request for the approval for the purchase price of all loan eligible real property (DWSIRLF III.C.2.(f)(ii))
10. Financial certification (local share) (DWSIRLF III.C.2.(g))
11. Financial capability summary (DWSIRLF III.C.2.(h))
12. Intergovernmental review process and State clearinghouse letter (DWSIRLF III.C.2.(i))
13. Legal certification from Loan Applicant and Applicant's Legal Counsel (DWSIRLF III.C.2.(j))
14. Resolution naming Project Representative and authorizing submittal of Loan Application (DWSIRLF III.C.2.(k))
15. Interlocal agreements (actual or proposed) (DWSIRLF III.C.2.(l))
16. Bid forms with cost estimates (DWSIRLF III.C.2.(m))
17. Certification regarding debarment, suspension and violating facilities (DWSIRLF Regulations, Appendix F)

18. Civil rights form 4700-4 (DWSIRLF Regulations, Appendix H)
19. Verification of tax exempt status, if applicable (DWSIRLF III.C.2(o))
20. Request for Taxpayer Identification Number and Certification (IRS Form W-9)